

# The Impact of Employment Social Security Implementation on the Economy of Bali Province in Indonesia

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## Abstract

*The implementation of Employment Social Security is a form of government responsibility to protect all workers in Indonesia from the risks arising from work. It is necessary to know the impact of the implementation of Employment Social Security on the economy to create an effective Employment Social Security system. This study aims to determine the effect of BPJS Ketenagakerjaan implementation of Employment Social Security on the economy of Bali Province, especially through increased consumption and investment. This research is expected to be a reference for relevant parties to organize effective Employment Social Security in Indonesia. Using a qualitative method with a literature review approach, this research utilizes secondary data from various sources related to the economy and BPJS Ketenagakerjaan programs, such as Old-Age Security, Employment Injury Security, Death Security, Pension Security, And Unemployment Benefit. The results of this study show that the Employment Social Security program contributes significantly to the economy through consumption and investment stability. These programs can support labor productivity and create a more conducive investment climate. This research emphasizes the importance of policies taken by relevant parties to support the effectiveness of the Employment Social Security program in achieving community welfare and a sustainable economy. This can be the basis for the government, BPJS Ketenagakerjaan, and academics to improve future Employment Social Security policies and programs.*

## Abstrak

Penyelenggaraan Jaminan Sosial Ketenagakerjaan merupakan salah satu bentuk tanggung jawab pemerintah untuk melindungi seluruh pekerja di Indonesia dari risiko-risiko yang timbul dari pekerjaan. Perlu diketahui dampak pelaksanaan Jaminan Sosial Ketenagakerjaan terhadap perekonomian untuk menciptakan sistem Jaminan Sosial Ketenagakerjaan yang efektif. Penelitian ini bertujuan untuk mengetahui dampak pelaksanaan Jaminan Sosial Ketenagakerjaan oleh BPJS Ketenagakerjaan terhadap perekonomian Provinsi Bali, khususnya melalui peningkatan konsumsi dan investasi. Penelitian ini diharapkan dapat menjadi referensi bagi pihak-pihak terkait

untuk menyelenggarakan Jaminan Sosial Ketenagakerjaan yang efektif di Indonesia. Menggunakan metode kualitatif dengan pendekatan studi literatur, penelitian ini menggunakan data sekunder dari berbagai sumber yang berkaitan dengan perekonomian dan program-program BPJS Ketenagakerjaan, seperti Jaminan Hari Tua, Jaminan Kecelakaan Kerja, Jaminan Kematian, Jaminan Pensiun, dan Jaminan Ketenagakerjaan. Hasil dari

penelitian ini menunjukkan bahwa Program BPJS Ketenagakerjaan memberikan kontribusi yang signifikan terhadap perekonomian melalui stabilitas konsumsi dan investasi. Program-program tersebut dapat mendukung produktivitas tenaga kerja dan menciptakan iklim investasi yang lebih kondusif. Penelitian ini menekankan pentingnya kebijakan yang diambil oleh pihak-pihak terkait untuk mendukung efektivitas program Jaminan Sosial Ketenagakerjaan dalam mencapai kesejahteraan masyarakat dan perekonomian yang berkelanjutan. Hal ini dapat menjadi dasar bagi pemerintah, BPJS Ketenagakerjaan, dan akademisi untuk memperbaiki program Jaminan Sosial Ketenagakerjaan di masa depan.

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## Introduction

A sustainable and inclusive economy is important in the effort to improve the welfare of the nation and state. An effective employment social security system is needed to improve labor welfare and boost economic activity to support stability in the economy. In addition, the employment social security system plays an important role in preventing poverty, reducing inequality, increasing income security, and enabling workers to make work-life transitions (Behrendt & Nguyen, 2019). With employment social security, workers have financial security, which can lead to an increase in household consumption, which is one of the main drivers in the economy.

According to Lee & Chang (2006), nominal amount of contribution spent on employment social security has a significant relationship with economic growth. This shows that effective employment social security contributions can promote economic growth through increased social welfare and productivity. Then, the employment social security program can provide material assistance through cash to its beneficiaries (Paul Siebert, 2009). The cash benefits obtained by participants can increase consumption and reduce poverty, encouraging economic growth (Bastagli et al., 2019). Finally, Yu & Guo (2019) also explained that employment social security can also affect the community's saving and Investment pattern. With employment social security, people are expected to reduce dependence on family members in old age so the younger generation can focus more on long-term investments that can contribute to economic development.

According to a study conducted by Torres (2021), the implementation of employment social security carried out in OECD member countries has been proven to increase economic activity in the country. The increase in labor social security claims and contributions in OECD member countries in the study can increase the net income earned by workers. In addition, a study conducted by Listyadewi & Pasaribu (2024) also showed that employment social security program claims can sustain the economy of Aceh province in Indonesia through consumption.

BPJS Ketenagakerjaan, as an organizing agency for employment social security in Indonesia, which operates in the province of Bali, has implemented various programs to provide protection for workers. Taking Bali province as the area for the object of research is intended because Bali province has a labor structure where most of the workers are workers who work in the informal sector who are more vulnerable to changes in economic conditions.

This research was conducted because there has been no research on the impact of the implementation of employment social security on the economy in the province of Bali. It is necessary to know the impact of the implementation of employment social security on the level of consumption and investment in the province of Bali and how far the effectiveness of the implementation of the program in encouraging economic growth through increased consumption and investment to create an effective employment social security system.

Citing data from BPJS Ketenagakerjaan, more than 56,000 people received claims for the Employment Social Security program in Bali Province. This data shows that the employment social security program benefits many people and the economy. Min-Ching Hong (2022) suggests that with effective employment social security benefits, family members can fulfill their needs despite

losing their source of income. Thus, the families left behind can still maintain their consumption levels, which can impact the economy as a whole.

So, with these things in mind, this study aims to evaluate the effectiveness of BPJS Ketenagakerjaan's implementation of employment social security on economic growth in Bali, especially through increased consumption and investment.

With this research, it is hoped that the government will get an overview in formulating more effective policies related to employment social security. In addition, it can increase public understanding of the importance of participation in the employment social security program for their welfare and its contribution to the economy. Then, it helps BPJS Ketenagakerjaan formulate strategies to improve services and expand the scope of participation based on the real economic impact. Beyond that, it can be a foundation for academics for further research who want to explore similar topics or expand the scope of research to other regions or sectors. Finally, it provides information about the economic stability and investment climate in Bali, which is influenced by the implementation of employment social security.

## **Theoretical Basis and Literature Review**

### **Concept of Employment Social Security**

According to the International Labour Organization (2021), employment social security is a human right enshrined in the Universal Declaration of Human Rights in 1948. It aims to protect individuals from various employment risks, such as loss of income due to illness, disability, work accidents, unemployment, and old age. Furthermore, employment social security can be defined as a protection system designed to provide security for its beneficiaries (Mbaaro, S, 2010). This means that employment social security can provide financial security for workers in the face of social and economic risks.

Employment social security includes various programs designed to protect workers against the risk of income loss. Laun and Wallenius (2016) explain that employment social security includes schemes that provide benefits such as health insurance, old age insurance, and work accident insurance. These programs are designed to protect workers during their productive years and ensure that they have income in retirement or when they can no longer work.

Employment social security also plays a role in increasing labor productivity. Workers with employment social security protection tend to work more productively (Hymans, 1974). This is one result of the financial security that workers get, so they can focus more on the work they do. Financial protection from employment social security gives workers a sense of security, so workers can also work more efficiently with lower stress levels.

### **Relationship between Employment Social Security and Consumption**

Lee & Chang (2006) suggest that contributions paid by employment social security participants can increase public consumption. This is especially useful among the elderly, who have limited income after retirement. Employment social security benefits, in the form of pensions or social insurance, provide income security that encourages this group to meet stable consumption levels despite no longer working.

Furthermore, employment social security reduces the need for intergenerational support within a family, such as children supporting parents who are no longer working (Yu & Guo, 2019). This, in turn, can increase the consumption capacity of the younger generation. When the elderly are less dependent on the support of their children, the younger generation has more resources for personal consumption, which can boost economic growth through increased demand for goods and services.

## **Impact of Employment Social Security on Investment**

A strong employment social security system can create a conducive investment climate by providing economic certainty and stability (OECD, 2019). Investors are more interested in investing in areas of good social and economic stability. With employment social security in place, social risks such as labor dissatisfaction can be avoided.

Yu & Guo (2019) argue that employment social security can reduce the need for intergenerational support in a family, such as children supporting parents who are no longer working. This can encourage the younger generation to invest more in the quality of human resources, such as education and labor training. With an effective labor employment social security, individuals and families can shift their attention from saving for emergencies or retirement to improving skills and education.

An effective employment social security system can provide people with a sense of security (Pogue & Sgontz, 1977). This makes people feel more confident in making productive long-term investments. This can create a positive cycle where increased investment in productive sectors will drive economic growth, increasing the employment social security system's carrying capacity.

Feldstein (1987) argues that ineffectively designed employment social security can reduce an individual's motivation to saving in savings. When individuals feel unprotected by employment social security for old age needs or emergencies, they will reduce personal savings. This may result in reduced capital available for investment, especially in savings that could otherwise be used to finance productive sectors.

## **The Relevance of Employment Social Security Implementation to the Economy in Indonesia**

The implementation of employment social security in Indonesia aims to protect workers from various economic risks that can impact the sustainability of their income and welfare. The employment social security programs implemented by BPJS Ketenagakerjaan, such as Old Age Security, Death Security, Employment Injury Security, Pension Security, And Unemployment Benefit, play an important role in creating economic stability and providing a financial safety net for workers in Indonesia (BPJS Ketenagakerjaan, 2023).

Old-Age Security program prepares workers' retirement funds through contributions that are collected periodically and can be taken during retirement, when laid off, or after reaching a certain age (BPJS Ketenagakerjaan, 2023). In this context, employment social security serves to increase the financial resilience of workers in old age (Chen et al., 2017). This, in turn, also maintains the level of public consumption, which can boost overall economic growth.

Death Security program benefits the heirs of workers who die during their active working period, which is not caused by work accidents. This program ensures that families left behind have funds for temporary living needs after losing their main source of income (BPJS Ketenagakerjaan, 2023). East (1999) reveals that providing Employment Social Security is relevant for family financial stability and can reduce dependence on government assistance. As a result, Employment Social Security can indirectly support economic stability.

Employment Injury Security aims to protect against risks related to work accidents or occupational diseases. This program covers medical expenses, compensation, and rehabilitation costs to recover workers (BPJS Ketenagakerjaan, 2023). The implementation of employment social security program in Indonesia is relevant to the needs of workers in the informal and formal sectors vulnerable to work accidents, such as some of the jobs in Bali. With the implementation of the employment social security program, workers have access to health services and financial support in the event of a work accident (S. Shrivastava et al., 2014). Ultimately, this promotes the stability of workers' consumption and their productivity.

Pension Security program aims to provide a monthly income for workers after retirement so they can still have an income in old age. This ensures that workers' consumption after retirement is maintained (BPJS Ketenagakerjaan, 2023). Thus, this can maintain the stability of demand for goods and services. Lee & Chang (2006) argue that Employment Social Security programs are very important economically. This is because employment social security, in this case, the Pension

Security, can contribute to sustainably maintaining consumption levels, even after workers are no longer actively working.

Unemployment Benefit program is the latest program from BPJS Ketenagakerjaan that provides financial benefits, access to labor market information, and training for workers who experience termination of employment. This program helps workers in the transition period find new jobs and obtain training relevant to the labor market's needs (BPJS Ketenagakerjaan, 2023). With the employment social security program, workers have sufficient time to find new jobs without sudden loss of income (Lichter & Schiprowski, 2021). Thus, the employment social security program, in this case, the Unemployment Benefit program, can reduce the negative impact of unemployment on the economy.

Implementing these Employment Social Security programs has made a major contribution to the regional economy, such as in the province of Bali. Zhang (2004) argues that by protecting against the risk of income loss, employment social security supports the stability of consumption and investment in the long run. These are two important components of the economy. In addition, by reducing dependence on family or government assistance, employment social security can promote budget efficiency and contribute to sustainable economic growth (Ming Zhang et al., 2019).

### Relevance of Employment Social Security Implementation to the Economy in Bali Province

The implementation of employment social security in Bali Province plays an important role in maintaining the region's social and economic stability. Employment social security programs held by BPJS Ketenagakerjaan, such as Old-Age Security, Employment Injury Security, Death Security, Pension Security, And Unemployment Benefit, provide financial protection for workers and their families in the face of economic, social, and health risks (BPJS Ketenagakerjaan, 2023).

Picture 1. Employment Structure of Bali Province by Business Field

Kategori/Lapangan Usaha	2018	2019	2020	2021	2022	2023		
						Laki	Perempuan	Jumlah
A Pertanian, Kehutanan, dan Perikanan	505 611	462 871	545 533	534 705	518 584	289 604	206 128	495 732
B Pertambangan dan Penggalian	6 108	9 627	9 013	7 859	6 250	4 160	1 933	6 093
C Industri Pengolahan	369 588	368 947	381 746	394 125	403 698	139 105	245 218	384 323
D Pengadaan Listrik dan Gas	6 033	5 709	5 473	3 703	6 480	4 421	781	5 202
E Pengadaan Air, Pengelolaan Sampah, Limbah dan Daur Ulang	5 791	11 870	8 324	6 486	8 928	12 186	6 069	18 255
F Konstruksi	159 101	162 469	159 554	155 461	176 488	156 442	18 054	174 496
G Perdagangan Besar dan Eceran; Reparasi Mobil dan Sepeda Motor	510 860	480 622	495 533	511 721	553 557	248 304	311 532	559 836
H Transportasi dan Pergudangan	72 735	77 347	59 540	57 669	85 949	92 439	7 082	99 521
I Penyediaan Akomodasi dan Makanan Minum	325 190	327 609	236 386	233 811	314 733	190 760	166 897	357 657
J Informasi dan Komunikasi	7 786	12 805	14 360	16 494	16 943	9 213	3 436	12 649
K Jasa Keuangan dan Asuransi	61 944	71 061	62 230	62 708	62 632	29 468	26 190	55 658
L Real Estat	3 191	4 092	3 094	2 738	3 559	3 392	1 237	4 629
M, N Jasa Perusahaan	59 404	58 490	42 832	33 764	51 297	31 384	14 946	46 330
O Administrasi Pemerintahan, Pertahanan dan Jaminan Sosial Wajib	139 231	125 316	114 051	136 969	125 737	79 529	34 907	114 436
P Jasa Pendidikan	117 956	100 014	103 537	109 449	97 073	43 778	65 398	109 176
Q Jasa Kesehatan dan Kegiatan Sosial	51 064	54 886	51 303	56 262	60 284	16 071	33 030	49 101
R, S, T, U. Jasa lainnya	124 114	135 271	130 910	117 930	114 878	58 793	65 929	124 722

Source: Survei Angkatan Kerja Nasional (Sakernas), BPS Provinsi Bali (2024)

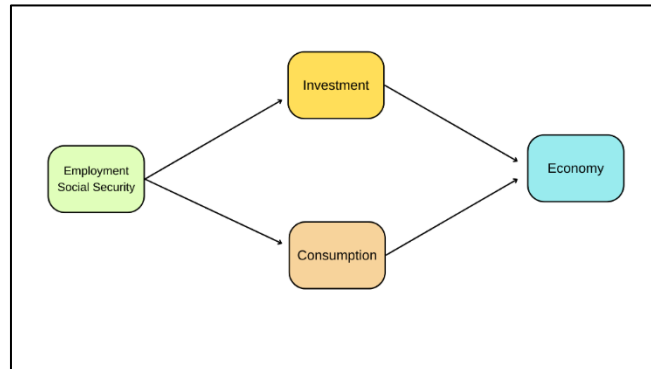
From the figure, it can be seen that the employment structure in Bali Province is dominated by the employment structure in the agriculture, forestry, and fisheries sectors; the manufacturing industry sector; the wholesale and retail trade sector, as well as the repair of cars and motorcycles; and the provision of accommodation and food sectors, with a contribution of more than 50% each year from 2018 to 2023. This indicates that most jobs in Bali province are informal, such as these sectors.

Based on research by Nugraha and Cahyadi (2021), workers in the informal sector often do not have adequate access to employment social security, which leads to greater economic vulnerability. Existing employment social security programs can help reduce the financial burden due to the risk of work accidents or death.

## Theoretical Framework

In macroeconomic theory, increased household consumption and investment can drive economic growth (Mankiw, 2021). Consumption and investment are the main components of the economy, so changes in consumption and investment will significantly impact a country's economy.

Picture 2. Research Theoretical Framework



## Research Methods

This research uses a qualitative method with a literature review approach to analyze the impact of implementing employment social security on the economy of Bali province. The data used is secondary data between 2018 and 2023 that obtained from various kinds of literature, including scientific publications, articles, and websites relevant to the research topic or from BPJS Ketenagakerjaan, the organization for employment social security in Indonesia.

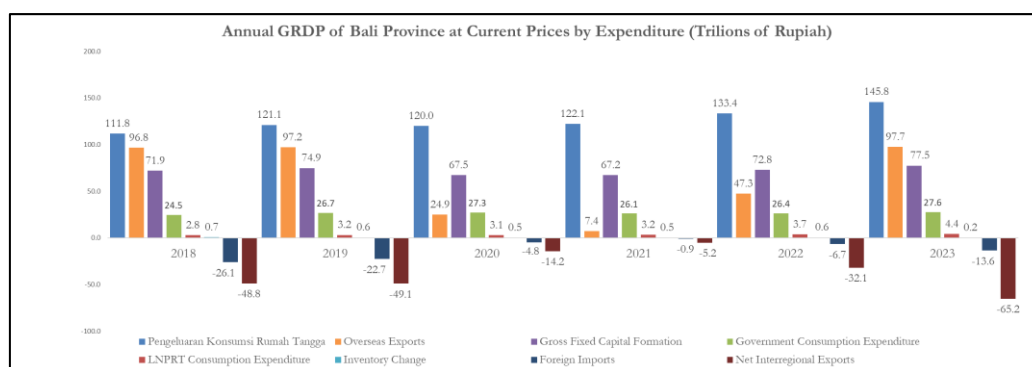
Secondary data sources were obtained through literature searches in online databases such as Google Scholar and Scopus. The keywords used in the search include Employment Social Security, Consumption, Investment, Economy, and BPJS Ketenagakerjaan.

## Result & Discussion

Employment social security plays an important role in maintaining the stability of workers' consumption, especially when they enter retirement or face the risk of losing their jobs due to work accidents. Employment social security programs can reduce an individual's dependence on intergenerational financing, which in turn increases the consumption capacity of the younger generation (Yu & Guo, 2019).

This is particularly relevant in Bali province, as the economy's reliance on the tourism sector is highly volatile. Employment social security provides protection for tourism workers. Thus, despite the decline in income due to seasonal conditions, they can still fulfill a stable level of consumption.

Picture 3. Annual GRDP of Bali Province at Current Prices by Expenditure



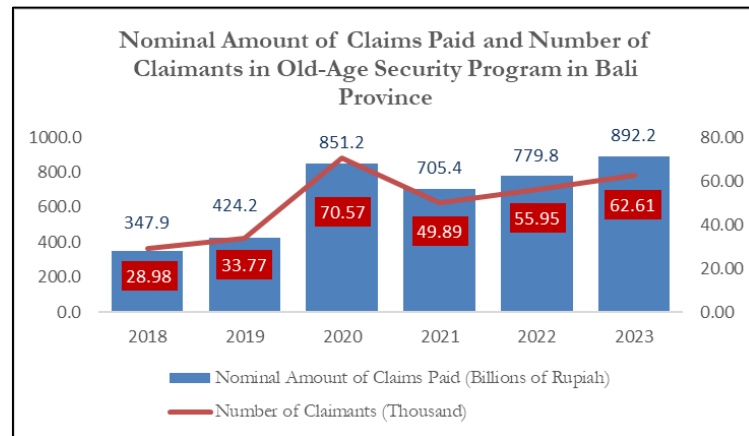
Source: Badan Pusat Statistik, 2024

From the data above, it can be seen that household consumption and gross fixed capital formation (investment) are the main components in the Gross Regional Domestic Product (GRDP) in Bali Province (BPS, 2024). This indicates that increased consumption plays an important role in driving economic growth in Bali Province.

### Old-Age Security

Old-Age Security program is a program that aims to provide savings for workers in old age or when entering retirement age

**Picture 4.** Nominal Amount of Claims Paid and Number of Claimants in Old-Age Security Program in Bali Province



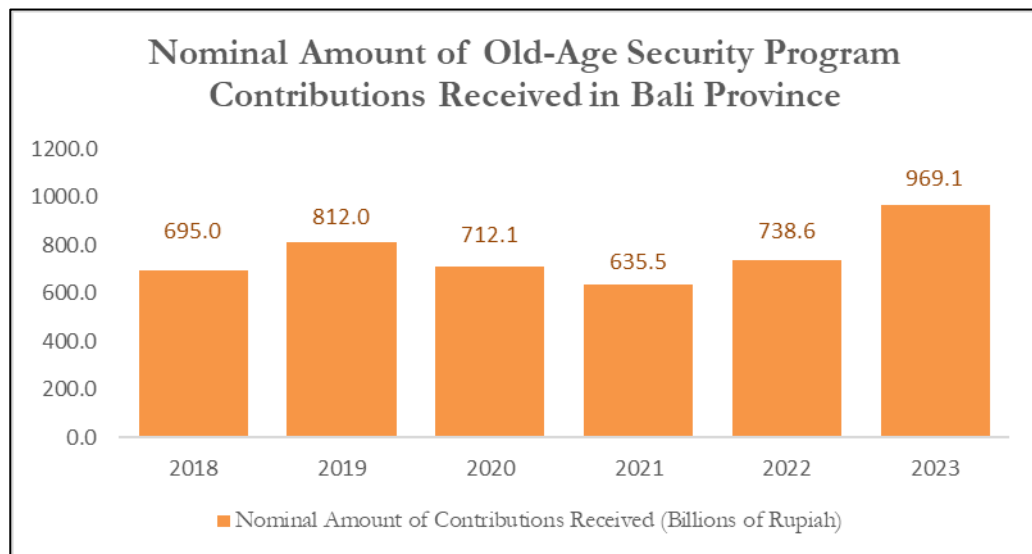
Source: BPJS Ketenagakerjaan, 2024

From the data above, it can be seen that there is a significant increase in the total nominal value of Old Age Security program claims in 2020, which is likely due to the impact of the Covid-19 pandemic, where many workers may lose their jobs and claim their Old Age Security program funds. Thereafter, the nominal claims decreased slightly in 2021 and increased gradually again until 2023, although not as high as in 2020. The data in 2020 reflects the high need of workers for emergency funds during the Covid-19 pandemic, and the Old Age Security program successfully provided funds that helped them meet their consumption.

From the data above, it can also be seen that the number of participants in Old Age Security program claims increased sharply in 2020, indicating a surge in claim submissions during the Covid-19 pandemic, when many workers experienced job uncertainty. After that, the number of claimants decreased in 2021, before finally increasing again to close to the 2020 figure in 2023.

The graph in Figure 3 indicates that the level of household consumption in the province of Bali tends to fall not too deeply in 2020. This is partly because many workers lost their main income in 2020 and utilized Old Age Security program claims as an alternative source of income to continue to meet their basic daily consumption.

**Picture 5.** Nominal Amount of Old Age Security Program Contributions Received in Bali Province



Source: BPJS Ketenagakerjaan, 2024

The data shows that the total amount of Old Age Security contributions has increased consistently from Rp695 billion in 2018 to Rp969 billion by the end of 2023. This increase of Rp274 billion in five years shows the expansion of coverage and participation of Balinese workers in the Old Age Security program. The funds collected in Old Age Security contributions can then be invested by BPJS Ketenagakerjaan in instruments such as bonds, stocks, and infrastructure projects, which support national capital accumulation.

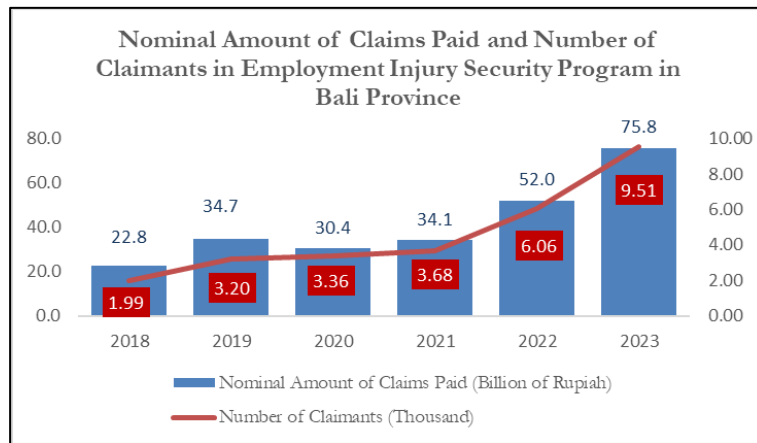
The graph in Figure 3 shows that the level of gross capital formation in Bali Province tends to fall less deeply than other components of gross regional domestic product in 2020 and 2021 when the Covid-19 pandemic occurs. This is because with the pension funds collected through the Old Age Security program, workers can be encouraged to make investments, in the form of productive assets such as property. According to Keynes (1936), financial stability in old age encourages workers to make more long-term investments which ultimately have a positive impact on the economy.

### **Employment Injury Security**

Employment Injury Security plays an important role in providing security for workers who experience accidents or occupational diseases. With coverage, workers who experience accidents do not need to rely on personal savings or family support for medical expenses, which can preserve their purchasing power. In addition, the Employment Injury Security program can also help reduce long absences due to accidents. With employment social security, workers will receive prompt medical assistance and rehabilitation (Dizioli & Pinheiro, 2016). Thus, this will increase the productivity of the workforce.



**Picture 6.** Nominal Amount of Claims Paid and Number of Claimants in Employment Injury Security Program in Bali Province



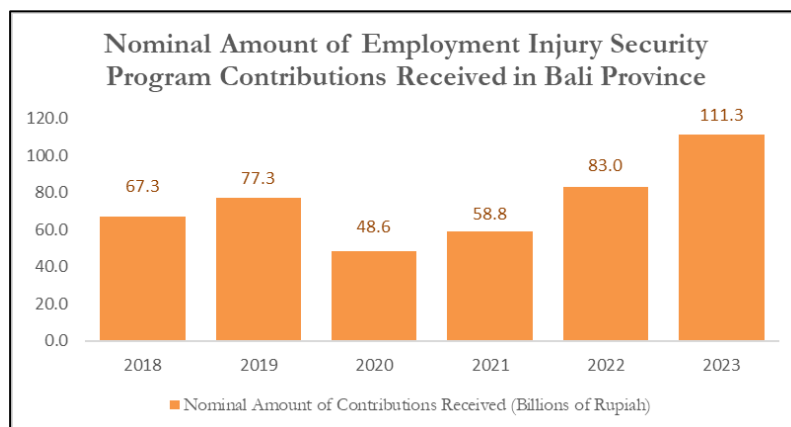
Source: BPJS Ketenagakerjaan, 2024

From the data above, it can be seen that the total nominal claims for the Employment Injury Security program have increased, from year to year, especially in 2021 and 2022. This indicates the important role of Employment Injury Security in covering health costs and compensation for workers who experience work accidents. These claims provide financial stability for workers so that they can still support their daily consumption without experiencing a decline in economic welfare. However, in 2020, the total nominal value of Employment Injury Security claims decreased, which was caused by the decline in economic activity due to the Covid-19 pandemic, so that workers could not work as usual, which reduced the risk of work accidents.

The data above also shows that the number of participants in Employment Injury Security claims shows an increasing trend during the period 2018 to 2024. However, it declined briefly in 2020 and 2021 due to the Covid-19 pandemic which limited economic activity.

In the graph in Figure 3, it can be seen that the level of household consumption in the province of Bali tends to be stable from year to year. This is partly because the Employment Injury Security program provides financial assistance for workers who are injured in work accidents, which can help them continue to consume after work accidents occur.

**Picture 7.** Nominal Amount of Employment Injury Security Program Contributions Received in Bali Province



Source: BPJS Ketenagakerjaan, 2024

Employment Injury Security contributions have also increased, from approximately Rp120 billion in 2018 to Rp165 billion in 2023, with an increase of Rp45 billion in five years although it decreased in 2020 and 2021 due to the Covid-19 pandemic. The Employment Injury Security program provides protection against the risk of work accidents and occupational diseases. This

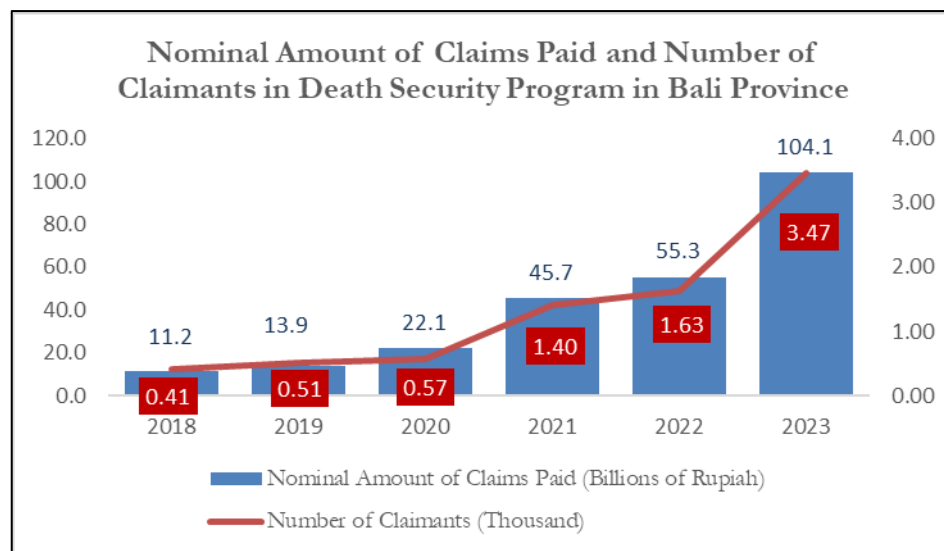
increased contribution amount reflects greater support for the protection of workers in high-risk sectors, such as tourism and construction in Bali.

The level of gross capital formation in Bali province in Figure 3 indicates that companies operating in Bali province are encouraged to invest more because workers are better protected, especially in terms of work safety. Filippini & Srinivasan (2019) revealed that the safety aspect of workers is an important element in creating an attractive investment environment. With increased safety aspects at work, it will increase the productivity of workers (Salminen & Saari, 1995). The employment injury security program contribution fund also allows BPJS Ketenagakerjaan to provide broader protection for workers, which will increase productivity and investor confidence in companies operating in Bali province.

### **Death Security**

The Death Security program helps maintain the economic stability of the families of deceased workers, especially in the transition period when they lose their main source of income. With the employment social security benefits, families can fulfill their needs despite losing their source of income (Min-Ching Hong et al., 2022). Thus, the Death Security program can maintain the level of demand for local goods and services, which is important for economic sustainability.

**Picture 8.** Nominal Amount of Claims Paid and Number of Claimants in Death Security Program in Bali Province



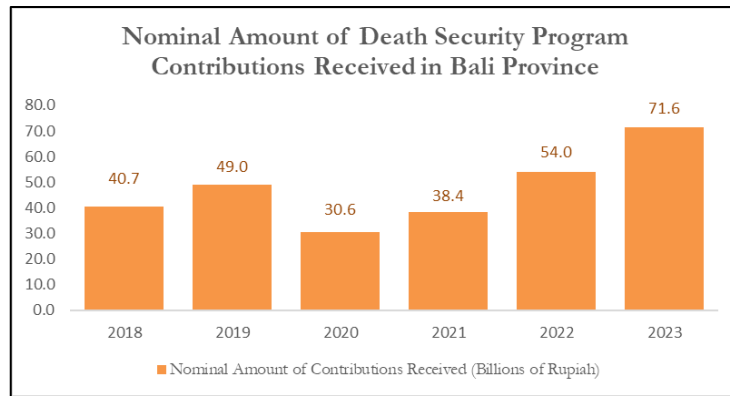
Source: BPJS Ketenagakerjaan, 2024

From the data, it can be seen that Death Security claims have consistently increased from Rp 11 billion in 2018, to more than Rp 100 billion in 2023. The claim benefits obtained by the heirs of the Death Security program help them deal with the economic impact of losing family members who are a source of income. Mesa-Lago (1983) also argues that the employment social security program can prevent families left behind from falling into poverty. Thus, it can help maintain consumption at the household level in the economy. In this case, the Death Security program provides compensation for the heirs of workers who die during the active work period.

From the data, it is also known that the number of participants in Death Security claims also shows a consistent upward trend every year, from approximately 400 claims in 2018, to more than 3600 claims in 2024. This shows that more and more families are getting financial protection from the risk of losing the head of the family who is the source of income.

Working families who receive social security benefits have better financial stability in dealing with the economic impact of losing a family member who is the breadwinner (D. Mont et al, 2002). The financial stability gained by working families can encourage their daily consumption. This is in line with the data in Figure 3, which illustrates that the level of household consumption in the province of Bali tends to be stable from year to year, although there was a slight decline in 2020.

**Picture 9.** Nominal Amount of Death Security Program Contributions Received in Bali Province



Source: BPJS Ketenagakerjaan, 2024

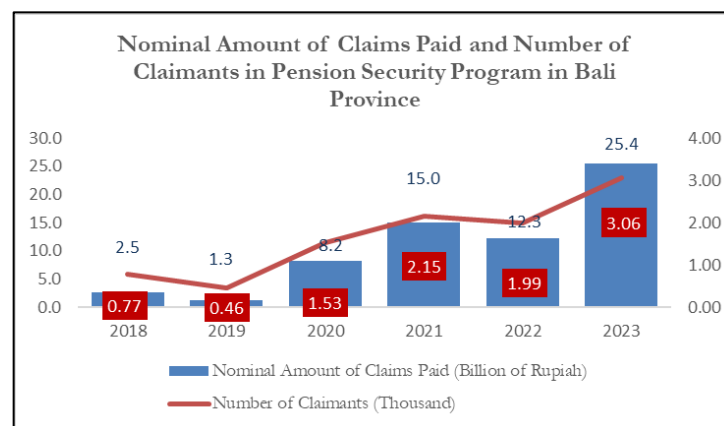
The data shows that the nominal contribution for Death Security has also increased from Rp40 billion in 2018 to Rp71 billion by the end of 2023, an increase of Rp31 billion. This increased contribution amount reflects better protection for workers in Bali province.

With death security program, worker families do not need to sell assets or withdraw their investments for urgent living needs that can help them to achieve financial stability. The stability of Bali province's gross capital formation rate in Figure 3 indicates that working families can invest their capital in productive assets, even though the workers who are their family members have passed away. Financial stability allows families to maintain investment in productive assets, such as property (Pogue, & Sgontz, 1977).

### Pension Security

With Pension Security, workers can better plan for retirement and maintain their consumption when they are no longer actively working. Employment social security programs can support economic stability (Gu Qi et al., 2019). In this case, Pension Security provides protection to workers in retirement, which in turn will help maintain economic stability and domestic consumption, which is crucial for economic growth.

**Picture 10.** Nominal Amount of Claims Paid and Number of Claimants in Pension Security Program in Bali Province



Source: BPJS Ketenagakerjaan, 2024

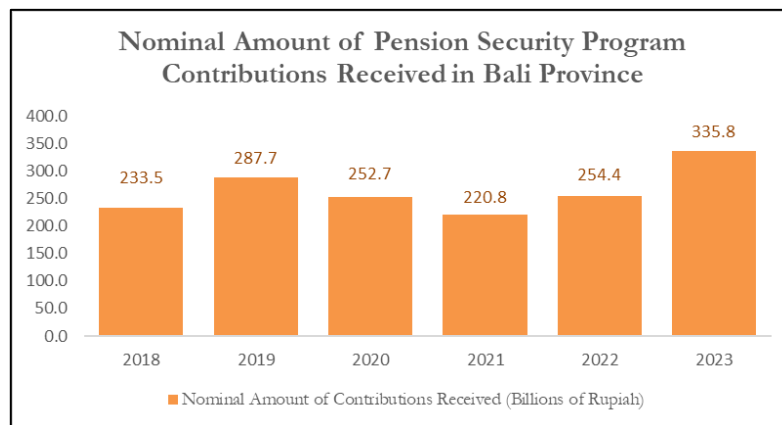
From the data, it can be seen that the total nominal value of Pension Security claims has increased since 2018 to 2023, although it decreased in 2022. Total Pension Security claims increased more than 10x from Rp 2.5 billion in 2018, to Rp 25 billion in 2023. The proceeds from claims under the Pension Security program provide regular monthly income for retirees so that they can meet their daily needs. This is important to maintain the retirees' purchasing power and reduce their dependency on their families. As such, Pension Security claims have a positive impact in

reducing poverty among the elderly and ensuring that they remain able to participate in the economy.

The number of Pension Security claimants also shows an increase as more workers enter retirement age from 772 in 2018, to 3088 in 2024. This increase in the number of Pension Security claimants reflects the importance of the long-term protection provided by this program in helping retirees make ends meet without having to rely on support from family.

The stable level of household consumption as shown in the graph in Figure 3, and the increase in the nominal amount and participants of pension security program claims in Figure 10, illustrate that during the period 2018 to 2023 the pension security program has succeeded in helping the level of consumption carried out by workers who have entered retirement age. The funds from pension security program claims obtained by the elderly provide regular monthly income for retirees so that they can meet their daily needs. Thus, the pension security program has a positive impact in reducing poverty among the elderly and ensuring that they can continue to participate in the economy.

**Picture 11.** Nominal Amount of Pension Security Program Contributions Received in Bali Province



Source: BPJS Ketenagakerjaan, 2024

The data shows that the Pension Security program, which provides retirement income to workers in old age, also experienced a significant increase in contributions. Based on the data above, the nominal Pension Security contribution rose from Rp200 billion in 2018 to Rp310 billion in 2023. This increase allows BPJS Ketenagakerjaan to channel more funds to retirees, which can sustain their purchasing power and maintain consumption in retirement.

In Figure 3 it can be seen that the level of gross capital formation in Bali province tends to be stable in 2018-2023. The pension fund from the pension security program provides a sense of financial security for workers. Therefore, workers will be more encouraged to invest in other productive assets such as property and their own development. In the case of Bali province, which relies on the tourism sector to drive its economy, more skilled and competitive workers support Bali's attractiveness to local and foreign investors. According to Sairmaly (2023), Investment in human capital can ultimately increase productivity and create a favorable environment for economic growth.

## Conclusions & Suggestions

### Conclusions

This study reveals that the employment social security program helps maintain the stability of workers' consumption, especially for those who work in the informal sector, which is quite vulnerable to economic fluctuations in Bali province.

The Old-Age Security and Pension Security programs act as retirement savings and a source of income after retirement, enabling workers to maintain their purchasing power and consumption

when they are no longer productive. In addition, the increased nominal contributions from Old-Age Security and Pension Security, in which BPJS Ketenagakerjaan invests in various productive instruments, support the accumulation of investment capital in Bali.

The Employment Injury Security program can support workers who experience work accidents to meet their daily needs and consumption, boosting the economy. This program also provides a sense of security and trust for investors who want to hire human resources because they have more protected and productive human resources.

The Death Security program helps heirs maintain financial stability when they lose the head of the family, which is their main source of income. Thus, they maintain purchasing power and consumption, as well as the sustainability of their investments.

These programs create economic stability, which is vital to Bali province's economy. With financial security in place, the province's workforce will feel more secure, supporting sustainable economic growth.

## **Suggestions**

The government, in this case represented by BPJS Ketenagakerjaan, needs to increase the effectiveness of the impact of the employment social security program carried out, especially on consumption in the province of Bali by ensuring that this employment social security program can support economic growth either in the long or short term.

In addition, future research can examine various variables that are related to economic growth such as the amount of government spending, as well as exports and imports.

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